

declares the House in recess until approximately 5 p.m. today.

Accordingly (at 2 o'clock and 12 minutes p.m.), the House stood in recess.

□ 1702

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. COLLINS of New York) at 5 o'clock and 2 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote incurs objection under clause 6 of rule XX.

Record votes on postponed questions will be taken later.

SPACE LAUNCH LIABILITY INDEMNIFICATION EXTENSION ACT

Mr. SMITH of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3547) to extend the application of certain space launch liability provisions through 2014.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3547

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Space Launch Liability Indemnification Extension Act".

SEC. 2. INDEMNIFICATION EXTENSION.

Section 50915(f) of title 51, United States Code, is amended by striking "December 31, 2013" and inserting "December 31, 2014".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. SMITH) and the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. SMITH of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and to include extraneous material on H.R. 3547, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

The bill we consider today provides stability for our Nation's commercial launch providers so that they can remain competitive in the international market.

The bill extends the existing system, which requires commercial launch pro-

viders to purchase insurance up to the maximum probable loss. It then provides that the government will compensate up to \$1.5 billion, plus inflation, and any amount above that is the responsibility of the original commercial launch provider.

Two weeks ago, the Space Subcommittee heard testimony from industry experts about the need to extend the Commercial Space Launch Act's risk-sharing system. Two of the witnesses who testified deal with this law on a regular basis.

Mr. Stuart Witt, president of the Mojave Air and Space Port, is developing new launch systems and technologies that could revolutionize space by making it more accessible. He told the subcommittee that this law allows companies to continue to innovate and grow.

Another witness, Ms. Patricia Cooper, president of the Satellite Industry Association, represents companies that add billions of dollars to the U.S. economy as a result of the current risk-sharing system. Ms. Cooper testified that the system's continuation is "absolutely essential" and that her association "strongly recommends that it be renewed before it expires."

The committee also recently received a letter signed by DigitalGlobe, Boeing, Virgin Galactic, Lockheed Martin, American Pacific Corporation, Aerojet Rocketdyne, ATK, Ball, Honeywell, AMT II, and Orbital Sciences which advocated the renewal of the risk-sharing system in order to keep the U.S. competitive in the global market.

Last year, the Space and Aeronautics Subcommittee held a separate hearing on indemnification and heard from the Federal Aviation Administration, the Government Accountability Office, DigitalGlobe, and the Aerospace Industries Association. At this hearing, Frank Slazer, with the Aerospace Industries Association, summed up his trade association's position by stating:

Many foreign launch providers competing against U.S. companies already benefit from generous indemnification rules . . . We cannot afford to drive away highly skilled technical jobs to foreign countries, where the regulatory frameworks provide better critical risk management tools. Lastly, a non-renewal could impede new U.S. entrants to the commercial launch market, discourage future space launch innovation and entrepreneurial investment. Without a level playing field for competition, new U.S. entrants could find it highly undesirable to begin their business ventures in the United States.

The FAA launch indemnification authority has been in place for over 20 years, and the American commercial space industry has benefited significantly over this time. Thankfully, the provision has never been triggered by a serious accident, but the stability it provides allows the U.S. to remain competitive in the global market and to push the boundaries of space technology.

The bill before us would extend indemnification for 1 more year with the hope that we can address a longer-term legislative solution. I would have pre-

ferred a longer extension. For instance, the NASA Authorization Act that the Science, Space, and Technology Committee passed last summer extended indemnification for 5 years, but we now have a bipartisan bill before us that provides stability to our commercial space industry by protecting companies against third-party liability claims.

This provision expires on December 31, so time is short. This bill buys us time to work on a long-term extension as part of the larger Commercial Space Launch Act renewal that we will take up next year. I urge my colleagues to support this bipartisan legislation.

Mr. Speaker, I reserve the balance of my time.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I yield myself such time as I may consume.

I rise today to speak in support of H.R. 3547, a bill to extend the application of certain space launch liability provisions through 2014.

First established by Congress as part of the Commercial Space Launch Act Amendments of 1988, the commercial space transportation risk-sharing liability and insurance regime has been extended seven times since its original enactment. The current extension expires on December 31 of this year, so it is important for Congress to act now so that there is sufficient time for this legislation to make its way to the President's desk before the current authority expires.

The liability and insurance regime that would be extended by this legislation is three-tiered.

In the first tier, licensed commercial launch providers are required to purchase third-party liability insurance to compensate for possible losses from third-party claims by the uninvolved public up to the maximum probable loss level determined by the Federal Aviation Administration as part of its licensing process, or a maximum level of \$500 million.

In the second tier, for claims above those maximum probable losses, the U.S. Government may pay successful liability claims up to \$1.5 billion in 1989 dollars, or about \$2.8 billion in today's dollars, subject to funds being appropriated by Congress for that purpose.

In the third tier, for successful claims above the aforementioned \$2.8 billion, the licensee assumes responsibility for payment.

It should be noted that the U.S. Government has not appropriated a single dollar to pay for the third-party claims in the two-decade history of this program.

The existence of the liability risk-sharing regime has helped enable the development and the sustainment of a commercial space launch industry in the United States, including the emergence of several new companies in recent years. In addition, the regime has